



City of Richmond

Report to Committee

To: Finance Committee
From: Mike Ching, CPA, CMA
Director, Finance

Date: August 10, 2023
File: 03-0975-01/2023-Vol
01

Re: **Active Capital Projects Financial Update - 2nd Quarter June 30, 2023**

Staff Recommendation

That the staff report titled, “Active Capital Projects Financial Update – 2nd Quarter June 30, 2023”, dated August 10, 2023 from the Director, Finance, be received for information.

Mike Ching, CPA, CMA
Director, Finance
(604-276-4137)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE
Information Technology	<input checked="" type="checkbox"/>	Sustainability & District Energy <input checked="" type="checkbox"/>
Real Estate Services	<input checked="" type="checkbox"/>	Fire Rescue <input checked="" type="checkbox"/>
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	Community Bylaws <input checked="" type="checkbox"/>
Parks Services	<input checked="" type="checkbox"/>	Transportation <input checked="" type="checkbox"/>
Recreation and Sport Services	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
Facility Services & Project Development	<input checked="" type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

Active Capital Projects Financial Update for the 2nd Quarter ended June 30, 2023 is provided to the Finance Committee for information purposes.

This report supports Council’s Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

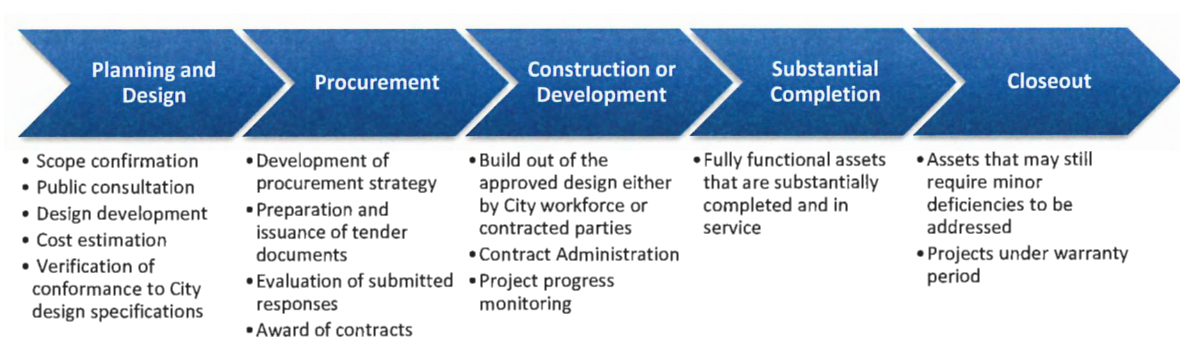
4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

Analysis

ACTIVE CAPITAL PROJECT DEFINITION

Active capital projects represent construction, non-construction and acquisition (e.g. equipment and land) capital projects previously approved by Council. A capital project is considered active for the purpose of this report if the project falls within one of the following stages as illustrated in Figure 1.

Figure 1 – Capital Project Completion Stages



Capital projects also include amounts set aside for land acquisition where Council approval is required for each specific land acquisition transaction.

CAPITAL PROGRAM FINANCIALS HIGHLIGHT

The unaudited actual capital expenditures are reported on a cash basis, as such there could be a timing difference between the actual costs incurred and the actual costs reported.

As at June 30, 2023, the approved budget of all active capital projects excluding contingent external contribution project was \$850.1M, of which \$351.5M or 41.4 per cent was already spent. Any unspent budget of active capital projects will remain committed until project closure.

Table 1 summarizes the capital financial information by capital program, and Attachment 1 provides highlights of key active capital projects.

Table 1: Capital Financial Information by Capital Program (in \$'000s)

Capital Program	Budget	Total-To-Date Actuals	Current Year Year-To-Date Actuals	Expected Commitment	% of Total-To-Date Actuals
Infrastructure					
Roads	\$128,841	\$65,696	\$5,764	\$61,737	51.0%
Flood Protection	68,595	23,054	4,974	45,486	33.6%
Water	27,805	9,793	2,946	17,788	35.2%
Sanitary Sewer	38,742	10,688	1,356	27,800	27.6%
Infrastructure	263,983	109,231	15,040	152,811	41.4%
Building	332,662	145,692	7,803	184,756	43.8%
Parks	84,247	42,537	4,160	41,710	50.5%
Land	117,044	34,521	8,783	82,523	29.5%
Vehicle and Equipment					
Vehicle	24,380	8,966	1,216	15,414	36.8%
Equipment	9,509	1,704	33	7,805	17.9%
Vehicle and Equipment	33,889	10,670	1,249	23,219	31.5%
Information Technology	18,284	8,866	1,598	9,418	48.5%
Grand Total	\$850,109	\$351,517	\$38,633	\$494,437	41.4%

CURRENT YEAR CAPITAL EXPENDITURES

Infrastructure Program

Roads

Current year-to-date actual expenditures for Roads were \$5.8M, of which \$3.1M was spent on the Annual Asphalt Re-paving program. Other major actual expenditures in the current year include \$369K for the Active Transportation Improvement Program, \$304K for the Citywide Sidewalk and Street Light Replacement Program, and \$286K for the Neighbourhood Walkway Program. Approximately \$20.7M of the expected commitment is related to various multi-use pathway and pedestrian and cyclist facility enhancement projects.

Flood Protection

Current year-to-date actual expenditures for Flood Protection were \$5.0M, of which \$1.4M was spent on the Burkeville Utility Improvement projects, and \$979K was spent on the Laneway Drainage Upgrade projects. Approximately \$9.7M of the expected commitment is related to the Flood Protection and Dike Improvement projects, and \$7.7M is related to the Disaster Mitigation and Adaptation Fund Infrastructure Grant – Drainage Pump Station and Diking Upgrades projects.

Water

Current year-to-date actual expenditures for Water were \$2.9M, of which \$1.8M was spent on the Watermain Replacement Upgrades project and \$763K spent on the Water Metering projects. Out of the \$1.8M spent on the Watermain Replacement Upgrades Program, \$1.5M was spent on the Danube/Minler neighbourhood.

Sanitary Sewer

Current year-to-date actual expenditures for Sanitary Sewer were \$1.4M.

Building Program

Current year-to-date actual expenditures for the Building program were \$7.8M, of which \$1.8M was spent on the Richmond Ice Centre Renewals, \$1.2M on the Richmond Cultural Centre Annex, \$1.1M on the Richmond Courthouse project, and \$822K on the Steveston Community Centre and Library.

Parks Program

Current year-to-date actual expenditures for the Parks program were \$4.2M, of which \$1.7M was spent on the Minoru Lakes Renewal projects, \$566K on Parks General Development projects, and \$555K on the Garden City Lands projects.

Land Program

Current year-to-date actual expenditures for the Land program were \$8.8M. Capital projects include amounts set aside for potential land acquisition as per Council Approved Strategic Real Estate Investment Plan. Any specific land acquisition transaction will require Council approval.

Vehicle and Equipment Program

Current year-to-date actual expenditures for the Vehicle and Equipment program were \$1.2M, of which \$850K was spent on the Vehicle and Equipment Reserve Purchases (Public Works and Corporate Fleet) projects. These projects also have \$9.6M of expected commitment to support the City's Green Fleet Action Plan.

Information Technology Program

Current year-to-date actual expenditures for the Information Technology program were \$1.6M, of which \$410K was spent on Annual Hardware Replacement projects, \$230K on Data Centre Server projects, and \$368K on Implementation of Digital Strategy projects.

CAPITAL PROJECTS CLOSED IN THE QUARTER

The following capital projects were closed in the second quarter. Any unspent funding will be returned to the original source (e.g. Reserve Fund) for funding towards future projects.

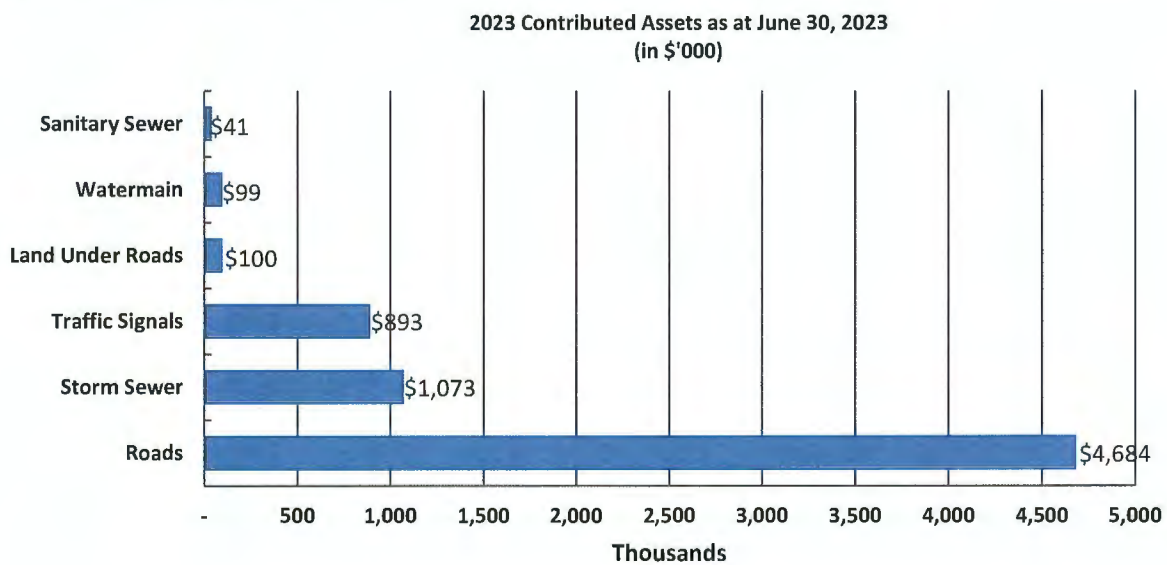
Table 2: Projects Closed in the Quarter Ended June 30, 2023 (in \$'000s)

Project Name	Plan Year	Budget	Actuals	Remaining Budget
Dike Upgrades	2018	\$5,850	\$4,887	\$963
Steveston Highway & No. 3 Road Pump Station Upgrade	2019	2,439	2,438	1
Burkeville Utility Improvements Drainage	2021	2,026	1,961	65
Cambie Overpass Rehabilitation Project	2020	1,355	1,085	270
Water Metering Program	2020	1,200	1,200	-
Laneway Drainage Upgrade	2021	800	782	18
Sanitary Pump Station and Forcemain Assessments, Upgrades and Grease Management	2020	600	600	-
IPS Mobility - Enterprise Deployment	2019	507	305	202
Watermain Tie-in and Restoration	2020	400	392	8
Traffic Video and Communication Program	2020	400	400	-
SCADA System Improvements	2021	350	350	-
Arterial Roadway Improvement Program	2018	350	350	-
Sanitary Pump Station Rehabilitation	2020	300	281	19
Fire Equipment Replacement from Reserve	2020	254	254	-
Citywide Sidewalk and Street Light Replacement Program	2022	250	249	1
Citywide Connector Walkways Rehabilitation Program	2022	250	250	-
Drainage Pump Station Rehabilitation and Generator Upgrade	2020	250	249	1
Invasive Species Management	2019	228	207	21
Total		\$17,809	\$16,240	\$1,569

CONTRIBUTED ASSETS

Included in the Consolidated 5 Year Financial Plan (2023-2027) Bylaw was an estimated \$48.7M for contributed assets to be transferred to the City by developers and third parties. Under the Public Sector Accounting Standards, these are recorded as revenue at fair market value at the time of contribution and is reflected in the financial statements in the annual surplus, and a corresponding increase to investment in tangible capital assets in accumulated surplus. These contributed assets are non-cash contributions and have no impact on the net operating surplus. As of June 30, 2023, \$6.9M of contributed assets were recorded as shown in Figure 2 and Table 3:

Figure 2 – Current Year-To-Date Contributed Assets as at June 30, 2023



These contributed assets were attributed from the following rezoning applications:

Table 3: Contributed Assets by Application (in \$'000s)

Application #	Project Location	Total
RZ17-773703	6340 No. 3 Road	\$3,890
DP13-645286	6833 Buswell Road (previously 8151 Anderson Road)	831
RZ17-766525	8820-8900 & 8911-8931 Spires Road	674
RZ18-835532	9900 No. 3 Road & 8031 Williams Road	443
RZ10-552879	9851, 9891 / 9911 Steveston Highway & 10931 Southgate Road	442
RZ16-743741	7000-7020 Williams Road & 10060 Gilbert Road	347
RZ16-733904	5631, 5635, 5651, 5691, 5711, 5731 and 5751 Steveston Highway	163
RZ17-768134	4226 Williams Road	56
RZ20-905210	8231 No. 3 Road	44
		\$6,890

August 10, 2023

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Financial Impact

None.

Conclusion

This report provides financial information on active capital projects that were previously approved by Council.



Jenny Ho, CPA, CGA
Manager, Tangible Capital Assets
(604-276-4223)

JH:sx

Att. 1: Highlights of Key Active Capital Projects

Highlights of Key Active Capital Projects

Infrastructure Program

Roads

Active Transportation Improvement Program (2022)

Budget: \$750K

Expected Completion Date: Q1 2025

As part of the City's Active Transportation Program, delineators were installed along the existing bike lanes on Garden City Road between Granville Avenue and Sea Island Way to provide physical separation between vehicles and cyclists. This project was completed in July 2023.

Annual Asphalt Re-Paving Program (2023)

Budget: \$5.4M

Expected Completion Date: Q4 2023

This program upgrades the City's Major Road Network and Non-Major Road Network, where road base repairs, paving, and associated concrete works are included in this scope. Upcoming locations include 8000 Block of No. 3 Road, from Francis Road to Blundell Road.

Westminster Highway Pedestrian and Cyclist Enhancements, Smith Crescent to Fraserside Gate

Budget: \$1.1M

Expected Completion Date: Q3 2023

This project involved construction of a protected and separated bike lane and walkway along the north side of Westminster Highway between Smith Crescent and Fraserside Gate. The project has been substantially completed.

Flood Protection

Burkeville Utility Improvements (2023)

Budget: \$4.1M

Expected Completion Date: Q3 2024

This project consists of upgrading the drainage network, sanitary sewers and watermains in the Burkeville area over the next five years. Construction for phase five will start in Q3 2023.

Disaster Mitigation and Adaptation Fund Infrastructure Upgrades

Budget: \$15.2M

Expected Completion Date: Q4 2026

The City secured \$13.8 million from the Federal Government through the Disaster Mitigation and Adaptation Fund Grant to contribute towards the Flood Protection Management Strategy. Design of the North Dike Upgrades between No. 2 Road and Lynas Lane, and the No. 6 Road South and No. 9 Road Drainage Pump Stations upgrades are currently underway.

Laneway Drainage Upgrades Program (2023)

Budget: \$1.7M

Expected Completion Date: Q4 2023

In order to resolve the laneway drainage issues, the City has implemented a program to install drainage systems and upgrade road structures to laneways each year. This year's locations include the Shell Road and Seacote Road Laneways.

WaterWatermain Replacement Upgrades Program

Budget: \$11.8M

Expected Completion Date: Q4 2024

This program replaces and upsizes ageing watermains at the end of their service life in line with the City's Ageing Infrastructure Replacement Strategy. Construction by the City crews are currently underway in the Danube Road and Minler Road neighborhoods, and is anticipated to be complete by Q4 2023, with the Sealord area neighbourhood to follow in 2024.

Building Program

The Building program includes major building construction and renovation projects as well as minor facility upgrades.

Bowling Green Community Activity Centre

Budget: \$5.3M

Expected Completion Date: Q4 2025

The outdated facility, located in the northeast corner of Minoru Park, will be demolished and replaced with a modern single-storey facility in the same location including washrooms, change areas, multipurpose room, kitchen and storage.

Britannia Shipyards National Historic Site

Budget: \$7.1M

Expected Completion Date: Q4 2025

Within the site are several buildings that require exterior maintenance, roofing and cladding repairs. Construction for the landside buildings is anticipated for completion in Q4 2024. The roof replacements and structural upgrades to the two large over water buildings, the Shipyard Building and the Seine Net Loft, are anticipated to be complete by Q4 2025.

Community Safety Building

Budget: \$1.5M

Expected Completion Date: Q2 2025

Fuel tanks and electrical panels will be connected to the emergency power supply to prevent service disruption in case of an emergency. The operator request includes office reconfigurations, storage expansion and renovation of program rooms.

Japanese Canadian Cultural Centre (JCCC)

Budget: \$258K

Expected Completion Date: Q1 2024

The JCCC main entrance upgrades include automatic door operators as well as a redesign and replacement of the front entry stairs to include a ramp for access. Design is underway and is being coordinated by the prime consultant for the Steveston Community Centre and Library Replacement project.

Minoru Arenas

Budget: \$4.6M

Expected Completion Date: Q4 2023

Life and safety equipment upgrades and architectural improvements of the mezzanine viewing area and change rooms are complete. Building infrastructure renewals and replacements, which include architectural, mechanical and electrical upgrades continue.

Richmond Animal Shelter

Budget: \$8.0M

Expected Completion Date: Q3 2024

The 4,580 sq. ft. facility was updated and a new 1,600 sq. ft. addition was completed in Q1 2022. Additional heating and cooling upgrades to the building were required for programming related needs.

Richmond Courthouse

Budget: \$1.6M

Expected Completion Date: Q3 2023

Ageing rooftop mechanical equipment, floor slab repairs and the electrical panel in the original 1975 building will be replaced with new and more efficient alternatives. Structural seismic upgrades will be done to enhance life and safety for the users and operators.

Richmond Cultural Centre Annex

Budget: \$3.3M

Expected Completion Date: Q3 2023

The Richmond Cultural Centre Annex will be a hub of arts and cultural activity to complement and expand operations in the existing Richmond Cultural Centre. During the course of construction, it was noted that the building envelope is failing and there is significant deterioration in the structural framing due to water ingress, which requires repair.

Richmond Curling Club

Budget: \$650K

Expected Completion Date: Q4 2023

The Richmond Curling Club requires significant repairs to the building envelope to stop current water ingress and prevent future water damage. Additionally, several critical pieces of mechanical equipment will be replaced with new higher efficiency units to ensure the health and safety of all occupants and visitors.

Richmond Ice Centre

Budget: \$13.7M

Expected Completion Date: Q4 2024

This project is multi-phased to minimize impact on programming, operations and service levels. Sections of the roof and ice rink floors will be renewed, and ageing mechanical equipment will be replaced with more efficient alternatives to minimize unplanned maintenance and improve the visitor experience.

Richmond Nature Park

Budget: \$4.8M

Expected Completion Date: Q4 2024

Fire alarm system replacement, envelope repair and replacement, and various building interior upgrades will extend the life of the buildings and improve operations. The project will also include the replacement of the existing onsite septic system for the Nature Park House, which is undersized for the growing number of visitors and has reached its end of life.

South Arm Community Centre

Budget: \$1.9M

Expected Completion Date: Q4 2024

Multiple building components within the facility will be replaced with new energy efficient equipment and components. The renewals will include but are not limited to fire alarm system replacement, flooring replacement and HVAC upgrades.

South Arm Community Hall

Budget: \$1.8M

Expected Completion Date: Q4 2024

The fire alarm system and exterior lighting can no longer be reliably repaired due to outdated equipment, and will be replaced with energy efficient units to ensure the health and safety of all occupants. Renewals also include the roofing system, water distribution, kitchen sinks, washroom fixtures, accessible ramps, exterior doors, siding and storage expansion.

Steveston Community Centre and Library

Budget: \$95.0M

Expected Completion Date: Q1 2026

Following approval of the building's form and character, design development is progressing for this priority Major Facility Phase 2 project. Enabling works for site preparation of the new three-storey, 60,350 sq. ft. facility has commenced.

Watermania

Budget: \$3.6M

Expected Completion Date: Q4 2024

Multiple building components in this facility will be replaced with new energy efficient equipment and components. Improvements will include upgrades to heat exchangers, pool equipment, building envelope, and all washrooms and change rooms.

West Richmond Community Centre

Budget: \$1.3M

Expected Completion Date: Q4 2024

Improvements will include upgrades to rooftop units, emergency exit signs and lighting, flooring, showers, and hot water system. Reconfiguration to the office spaces will also be included as part of this project.

Works Yard

Budget: \$6.6M

Expected Completion Date: Q4 2024

As the proposed Works Yard rebuilding program advances, only critical projects will proceed in order to maintain operability.

Parks Program

The Parks program includes the development and replacement of parks, trails, community gardens and natural areas in Richmond.

Aberdeen Neighbourhood Park

Budget: \$1.3M

Expected Completion Date: Q3 2023

Aberdeen Neighbourhood Park construction was completed in Q3 2022 and its public washroom was completed in Q2 2023. Currently, the site is on a one-year maintenance period until Q3 2023.

City-wide Community Gardens

Budget: \$200K

Expected Completion Date: Q4 2024

The 2023 Community Gardens program will focus on addressing the growing need for community gardens in the Hamilton and West Cambie neighbourhoods. Confirmation of the locations and detailed design is underway, with construction anticipated to start in late Q3 2023.

Garden City Lands (GCL)

Budget: \$6.2M

Expected Completion Date: Ongoing

Removal of contaminated soils at specific locations is expected to be completed in Q3 2023 while additional soil testing continues site-wide. Planting along Westminster Highway and Garden City Road was completed in Q2 2023, and staff will commence planning the implementation of the park features identified in the park development plan.

Gardens Agricultural Park

Budget: \$1.1M

Expected Completion Date: To be determined

As the Province is moving ahead with the Steveston Interchange and Fraser River Tunnel projects, staff are working through its potential impacts on the implementation of the eastern portion of the park site.

London Farm – Master Plan Phase 1

Budget: \$612K

Expected Completion Date: Completed

London Farm - Master Plan Phase 1 was completed in Q2 2023, with an open house event held on June 28, 2023.

London/Steveston Neighbourhood Park

Budget: \$400K

Expected Completion Date: Q4 2023

The final phase of London/Steveston Neighbourhood Park enhancements consists of an off-leash dog park. Construction is temporarily on hold, while further public engagement is anticipated to be completed in Q3 2023.

Minoru Lakes Renewal

Budget: \$9.8M

Expected Completion Date: Completed

Minoru Lakes Renewal received substantial completion in Q2 2023 and was opened to the public on June 9, 2023. Remaining deficiencies will be addressed in Q3 2023 prior to awarding final completion. The contractor will maintain all new works for one year.

Parks Ageing Infrastructure

Budget: \$1.8M

Expected Completion Date: Ongoing

A consultant completed a preliminary conditional assessment to identify and prioritize interim safety improvements on waterfront assets include piers, floats, docks and gangways in Q1 2023, with recommended repairs starting in Q2 2023. Storm drainage improvements at South Arm and Steveston Community Parks will proceed in Q3 2023, and work on the King George/Cambie Community Park artificial turf field fence and Minoru Park hammer cage was completed in Q2 2023.

Parks General Development

Budget: \$2.1M

Expected Completion Date: Ongoing

Terra Nova Rural Park

Fencing, drainage and maintenance access works along the east side of the community gardens is being analyzed with implementation expected to start in Q3 2023.

Railway Community Gardens

Improvements of the Railway Community Gardens, including fencing and three tool sheds, were completed in Q3 2022. Installation of site furnishing such as picnic tables, chairs and bike racks started in Q1 2023 and was completed in Q2 2023.

South Dyke Trail

Planning is underway for the addition of six new benches along the south dike between Gilbert Road and No. 3 Road, expected to be installed in Q3 2023.

Parks Identity Signage Program

Budget: \$100K

Expected Completion Date: Q4 2023

Design of new Minoru Park identification and wayfinding signage is underway, with fabrication and installation planned for Q3 2023. Location selection and laying out park identification signage for neighbourhood parks, west of No. 3 Road between Francis Road and Williams Road, are currently in progress.

Playground Improvement and Replacement Program*Playground Replacement*

Budget: \$1.5M

Expected Completion Date: Ongoing

Site surveys for Great Cannery West, Odlinwood, and Heather-Dolphin Parks were completed in Q4 2022. Public engagement was completed with procurement initiated in Q1 2023 with construction on schedule to begin in Q3 2023.

Steveston Community Park Playground Renewal

Budget: \$2.2M

Expected Completion Date: Q4 2024

Detailed design for the renewed Steveston Community Park playground is underway, with construction tender and award process expected to take place in Q3 2023, and construction expected to start in Q1 2024.

South Arm Community Park Renewal

Budget: \$1.0M

Expected Completion Date: Completed

South Arm Park and Playground Renewal received substantial completion in Q2 2023 and was opened to the public on June 14, 2023. The official opening event was held on July 26, 2023.

Land ProgramStrategic Land Acquisition

Budget: \$117.0M

Expected Completion Date: Ongoing

Capital projects include amounts set aside for potential land acquisition as per Council Approved Strategic Real Estate Investment Plan. Any specific land acquisition transaction will require Council approval.

Equipment Program

The Equipment program includes machinery and vehicles for Richmond Fire Rescue, Public Works (PW) and other miscellaneous equipment.

Bylaws License Plate Recognition (LPR) System

Budget: \$208K

Expected Completion Date: Q3 2023

The License Plate Recognition project under the Parking Department is near completion. The project is in its final stage and is expected to be fully operational by Q3 2023.

Fire Vehicle Replacement Reserve Purchases

Budget: \$9.6M

Expected Completion Date: Ongoing

The Fire Vehicle and Equipment Reserve Purchases projects in Plan Year 2019 to 2023 have a combined outstanding acquisition of five front-line vehicles and five support vehicles. Staff are currently developing the required specifications for the fire trucks before the procurement process begins.

Vehicle and Equipment Reserve Purchases (Public Works and Corporate Fleet)

Budget: \$14.0M

Expected Completion Date: Ongoing

2020 to 2023 fleet vehicle and equipment replacement projects have replaced a total of 87 vehicles and pieces of equipment. Currently, 107 outstanding vehicles and pieces of equipment are in replacement progress and as of Q2 2023, 14 of these outstanding units are on order.